

EXHIBIT 15

FILED UNDER SEAL

In the Matter Of:

FAIR ISAAC CORPORATION

vs

FEDERAL INSURANCE COMPANYT, ET AL.

TAMRA PAWLOSKI

January 18, 2019

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epiQ
court reporting solutions

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1	Q	So you did have conversations	He did not provide that on the
2		about the pricing methodology used by FICO,	phone.
3		just after this March 2nd letter?	Q Do you recall anything else that
4	A	Correct.	was discussed in that phone call?
5	Q	I am handing you what I have	A No, I was not lead on the call.
6		marked Exhibits 258 and 259.	Q You mentioned the name Bill
7		(The above described documents were	7 Harlan?
8		marked Exhibits 258 and 259 for	8 A Harlam.
9		identification as of this date.)	9 Q Who was he?
10	Q	Are you familiar with these	10 A He was my new boss.
11		documents?	11 Q And your old boss was?
12	A	Yes.	12 A Bill Stickle.
13	Q	So 259 is a second copy of page	13 Q Bill Stickle. Did Bill Harlam
14		2 of 258, because you can't really read.	14 come from legacy ACE?
15		You only got one page of 258?	15 A Yes, he did.
16	A	Yes.	16 Q What was Bill Harlam's role at
17		MS. KLIBENSTEIN: Then together	17 Chubb LTD?
18		we have a complete document.	18 A He was the head of vendor
19	Q	Looking at 258 and 259, is	19 management.
20		Exhibit 259 the letter that was e-mailed to you	20 Q So, did the vendor management,
21		from Mike Sawyer on March 6, 2016?	21 after the merger did the vendor management
22	A	Yes, it was.	22 functions of ACE and Chubb merge together as a
		Page 175	Page 177
1	Q	And this is four days after the	1 group?
2		date of the letter we looked at in 257, is that	2 A Yes.
3		correct?	3 Q And some people stayed and some
4	A	That's correct.	4 people went?
5	Q	So between March 2nd and March	5 A That's correct.
6		6th, did you have any conversations with FICO	6 Q So looking at the letter that is
7		personnel about the business negotiations?	7 Exhibit 259, walk me through your understanding
8	A	Yes.	8 of the pricing options and the license options
9	Q	And what were those	9 provided by FICO to you.
10		conversations?	10 A So the intent of this letter was
11	A	Actually at this point it got	11 to show us from legacy Chubb pricing to the new
12		escalated to my leadership.	12 Chubb LTD pricing.
13		So Bill Harlam and myself had a	13 And this was the first time for
14		discussion with Bill Waid on the numbers to	14 myself that I knew it was based upon revenue.
15		help us understand why, we were very confused	15 I was not aware of that prior to this.
16		as why they came in so high, so we had a phone	16 So this is just -- this letter
17		call with Bill.	17 now outlines what the legacy Chubb revenue was
18	Q	What did Bill tell you, what do	18 in 2006 -- yeah, 2006.
19		you recall?	19 And then what the 2016 combined
20	A	That he was going to come back	20 company revenues were, and then how Blaze
21		and give us an explanation for how they came to	21 was -- how the equation, how FICO priced their
22		the numbers.	22 product.

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1	Q	And you understood at this time	her prior testimony, and it's multiple
2		that the pricing you were seeing was based on	questions.
3		the estimated U.S. revenue of the new company,	A Can you repeat that again?
4		correct?	Q Sure, I will try.
5	A	Correct.	Chubb rejected this offer in
6	Q	Not that you agreed with the	Exhibit 259, correct?
7		pricing, just that that's what the new U.S.	A Yes.
8		revenue was the basis for the pricing from	Q And the reason Chubb rejected
9		FICO's perspective?	this offer is -- well, I will ask it a
10	A	Correct.	different way.
11	Q	And Chubb rejected this offer,	Was the reason Chubb rejected
12		correct?	this offer because FICO bases its licensing
13	A	Yes.	figures on company revenue?
14	Q	And why was that?	A No.
15		MR. FLEMING: I'm going to object	Q So the problem with this offer
16		to the extent it requires disclosure of	wasn't -- wasn't FICO's pricing models, it was
17		its attorney-client communications.	instead the history between the parties and
18		On the basis of privilege you	because Chubb thought it had already had a
19		should not disclose those.	license, right?
20	A	Can you ask your question again?	MR. FLEMING: Objection, multiple
21	Q	Sure.	questions and misstates her prior
22		Why did Chubb reject this offer?	testimony.
		Page 179	Page 181
1	A	Because once again, senior	A No, there was -- we still had an
2		leadership felt that this was -- this license	issue with this pricing model.
3		fee was still extremely high in comparison to	Q Chubb had a problem with the
4		the investment already made with FICO.	ultimate price, not necessarily the model,
5	Q	Did you believe that -- well,	correct?
6		Chubb's position in these business	MR. FLEMING: Objection, that's
7		negotiations, it was not that -- Chubb didn't	been asked and answered.
8		think it needed to pay a new license fee at	A No, we had a problem with the
9		all, did it?	model as well.
10		MR. FLEMING: I object to the	Q Can you tell me what the problem
11		extent it calls for attorney-client	with the model was?
12		communications, which you should not	MR. FLEMING: I object to the
13		disclose on the basis of privilege.	extent it calls for attorney-client
14	A	No, we didn't. We had a hard	privileged communications.
15		time with that.	A If you take a look at the global
16	Q	So the issue wasn't -- the	revenue, it's \$14 billion at an estimate of \$11
17		problem from the business perspective from	billion for \$2.4 million.
18		Chubb's point of view wasn't that FICO's	In 2016 it was 20, but yet we
19		pricing model was flawed, rather that Chubb	were asked to pay double if not triple what we
20		already had a license and shouldn't be forced	were paying from when we originally purchased.
21		to pay more, correct?	So, the calculation of how they
22		MR. FLEMING: I object, misstates	came to 20, that was not disclosed, just that